

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

May 13, 2003

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FROM: G. DANIEL OJEDA, Director
Architecture & Engineering Department

DAVE GIBSON, Director
Facilities Management Department

SUBJECT: HVAC SYSTEM REPLACEMENT PROJECTS – RECEIVE REPORT

RECOMMENDATION: Receive HVAC Project Summary Report.

BACKGROUND INFORMATION: In the midst of the energy crisis in early July 2001, with impending power outages, the Facilities Management Department, with assistance from the Architecture & Engineering Department (A&E), commissioned Mathaudhu Engineering, Inc., to perform a study of various County facilities that had HVAC systems that were inefficient and on the verge of failure due to deterioration and age. This study reviewed the existing HVAC system efficiencies and made recommendations for modification and/or replacement with modern higher energy efficient equipment, which would result in a reduction of the current operating and maintenance costs, and improve the reliability of the systems. However, it must be noted that the scope of the study did not include other additional items such as fire code deficiencies, any necessary electrical upgrades, or any review of problems with balancing or rezoning of the systems. In order for a complete detailing of all the existing deficiencies and their costs, an extensive design study of each individual HVAC system would have to be performed.

On October 23, 2001, an item was presented to the Board recommending that the scope of work and budgets for the five HVAC projects included in the 2001-02 Capital Improvement Program (CIP) budget be adjusted in accordance with the recommended revisions presented in Mathaudhu Engineering's Energy Conservation Study mentioned above. The goal was to re-allocate the financial resources to add two crucial HVAC upgrade projects at Central Juvenile Hall, including the replacement of the chillers that had recently failed. Mathaudhu Engineering's cost estimate for the original five revised projects allowed for the inclusion of the two additional HVAC projects within the original 2001-02 CIP budget of \$3,135,500 (including \$150,000, 2000-01 carryover).

As the design for these projects progressed, the scopes of work were more fully defined. Additional problems and deficiencies were identified with each HVAC system, which resulted in the need to again revise cost estimates for the projects. On July 16, 2002, A&E presented an HVAC Project Summary Report (Report) to the Board with revised scope of work and cost estimates for the seven HVAC projects included in the 2001-02 CIP budget. The Board agreed with the A&E proposal to postpone the two lowest priority HVAC projects included in the 2002-03 CIP budget – the Information Services First and Second Floor HVAC Replacement Project and the Redlands Courthouse HVAC Replacement Project – and to utilize the funding allocated for these two projects for higher priority 2001-02 projects.

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A&E and Facilities Management agreed to return to the Board with an updated Report as the HVAC projects proceeded through the design phase and more complete information was available concerning the scope of work and cost estimated for the HVAC projects. Attachment “A” outlines the current status as well as the evolution of the cost estimates for the seven HVAC projects for 2001-02, and the five 2002-03 HVAC projects. These projects are listed in order of priority. Current estimates show that the total budget required to fund all seven HVAC projects approved in 2001-02 and the five 2002-03 HVAC projects is approximately \$7,119,000. Attachment “B” explains the changes in scope and estimated cost of the prioritized HVAC projects from the July 16, 2002, Report to the Board.

Based on the original budget of \$5,815,500, an additional \$1,303,500 is required to fully fund these projects. With the postponement of the \$790,000 Information Services First and Second Floor HVAC Replacement Project (Priority 11) and the \$310,000 Redlands Courthouse HVAC Replacement Project (Priority 12) agreed to by the Board on July 16, 2002, an additional \$203,500 is required to fully fund the remaining projects.

Staff recommends postponing the next lowest priority project approved in the 2002-03 CIP budget, the Chino Courthouse – Replace Air Handlers Project (Priority 10) with a \$480,000 budget, and re-allocating the funding from this project to complete the remaining higher priority HVAC projects.

The combined budget for the eight projects recommended for funding totals \$5,539,000 which, when deducted from the original \$5,815,000 project budget, leaves a balance of \$276,500. Staff recommends that this surplus be used to fund the design of the Chino Courthouse, Redlands Courthouse and Information Services Building First and Second Floor HVAC projects. This type of detailed design effort will help to better identify the funding required for these postponed projects and reduce the need for repeated funding adjustments.

Once the design phases are complete and A&E and Facilities Management have a more comprehensive estimate of the project costs, staff will provide the Board with another update.

REVIEW BY OTHERS: This item has been reviewed by Eli Montoya, Department Contract Compliance Designee on May 5, 2003 reviewed by the County Administrative Office (Lynn Chacon, Administrative Analyst) on May 6, 2003; and approved as to legal form by County Counsel (Jean-Rene Basle, Deputy County Counsel) on May 6, 2003.

FINANCIAL IMPACT: Acknowledging receipt of this report has no impact on the General Fund. Re-allocation of project funding is shown in Attachment “A” .

COST REDUCTION REVIEW: None. Acknowledging receipt of this report has no added impact on the General Fund. The original budget of \$5,815,500 was funded by the General Fund.

SUPERVISORIAL DISTRICT(S): All.

PRESENTERS: G. Daniel Ojeda, Director, Architecture & Engineering, 387-5025

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